

## Message Text

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ORIGIN OES-04

INFO OCT-01 EUR-12 ISO-00 COME-00 EPA-01 CEQ-01 EB-07

AID-05 CIAE-00 COA-01 DODE-00 INR-07 IO-10 L-02

NSF-01 NSC-05 NSAE-00 PM-03 RSC-01 SS-15 SP-02 FEA-01

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R 032330Z JAN 75

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

INFO USMISSION OECD PARIS

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E. O. 11652, N/A

TAGS: SENV, ECE

SUBJECT: ENVIRONMENT EC COMMISSION GUIDELINES FOR POLLUTER

PAYS PRINCIPLE (PPP)

REF: BRUSSELS 10099

OECD PARIS FOR KRAMISH

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1. WE WILL WISH TO STUDY THE EC COMMISSION MEMORANDUM QUITE

CAREFULLY IN THE LIGHT OF THE RECENT ACTIONS TAKEN BY THE  
OECE MINISTERIAL CONCERNING THE PPP. WHILE WE ARE RELUCTANT  
TO MAKE HASTY JUDGMENTS, WE SHARE SOME OF THE MISSION'S  
CONCERNS, GIVEN THE HIGH INITIAL PERCENTAGES REFERRED TO IN  
PARAGRAPH 4(A) OF REFTEL, AND THE ABSENCE OF SUGGESTION  
THAT THESE SUBSIDIES WOULD BE SELECTIVELY APPLIED OR ONLY  
WHEN COMPELLING CIRCUMSTANCES WARRANT. ALSO, THE DISCUSSION  
OF SUBSIDIES TO NEW PLANTS IN PARAGRAPH 4(B) SUGGESTS THAT  
TRADE EQUALIZATION MOTIVATIONS RATHER THAN ENVIRONMENTAL  
FACTORS WOULD BE THE PRINCIPAL CONSIDERATIONS DICTATING  
SUBSIDIES. WE UNDOUBTEDLY WILL WISH TO DISCUSS THESE  
MATTERS FURTHER WITH THE COMMUNITY AFTER THE RELEVANT  
PAPERS HAVE BEEN RECEIVED AND EVALUATED. WE ALSO ARE SOME-  
WHAT PUZZLED BY REPORTED DEVELOPMENT SINCE, FROM OUR PAST  
KNOWLEDGE, THE EC COMMISSION AND MEMBER STATES, IF ANYTHING,  
HAVE BEEN INCLINED TO FAVOR A MORE ORTHODOX POSITION IN  
SUPPORT OF THE PPP THAN THE OECD MEMBERSHIP AT LARGE, GIVEN  
THE COMMUNITY'S RECENTLY EXPRESSED RELUCTANCE TO SEE ANY

EXCEPTIONS TO THE PPP EXTENDED TO NEW PLANTS. WE  
CANNOT HELP BUT NOTE THAT THE NOVEMBER 7, 1974, COUNCIL  
ACTION ON THE PPP APPEARS TO BE A MORE RINGING ENDORSEMENT  
OF ADHERENCE TO THE PRINCIPLE THAN ONE MIGHT INFER FROM  
REFTEL.

2. MISSION SHOULD BE AWARE THAT THE EC MEMBER STATES ON  
THE OECD ENVIRONMENT COMMITTEE VERY ACTIVELY PARTICIPATED  
IN THE SHAPING OF THE OECD ACTION PROPOSAL ON THE PPP, AS  
DID THE REPRESENTATIVE OF THE EC COMMISSION WHO ATTENDED  
THE MEETINGS OF THE ENVIRONMENT COMMITTEE. FOR THIS REA-  
SON, WE FIND IT DIFFICULT TO ACCEPT PETTINI STATEMENT THAT  
OECD AND EC EFFORTS WERE NOT COORDINATED, PARTICULARLY  
SINCE SOME OF THE EC REPRESENTATIVES WERE MOST VIGOROUS IN  
SUPPORTING THE PPP. OECD ACTION PROPOSAL NOT ONLY RE-  
AFFIRMS THE PPP BUT ASSUMES THAT MEMBERS WILL INFORM OECD  
OF EXCEPTIONS AND THAT ANY MEMBER STATE SHALL HAVE RIGHT  
TO CALL FOR CONSULTATIONS, SHOULD IT SO DESIRE. FYI WE  
ARE INCLINED TO THINK THAT THE INVOCATION OF SUCH A CON-  
SULTATION PROCEDURE MIGHT HAVE SOME MERIT WITHIN THE OECD.  
HOWEVER, WE SHALL WISH TO GIVE THIS QUESTION FURTHER CON-  
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SIDERATION AND MAY WISH TO FIRST PURSUE THE MATTER BI-  
LATERALLY WITH THE EC ON THE OCCASION OF THE NEXT US-EC  
ENVIRONMENTAL CONSULTATIONS TENTATIVELY SCHEDULED FOR  
MAY. END FYI.

3. IN MEANTIME, EC BRUSSELS IS REQUESTED TO ADVISE AS TO  
THE PRECISE, LEGAL AND BINDING STATUS OF THE EC COMMISSION  
MEMORANDUM AND WHETHER THE EC COMMISSION IS NOTIFYING THE

OECD OF THIS DEVELOPMENT. DOES REFERENCE TO "MAJOR NEW OBLIGATIONS" AS REFERRED TO IN PARAGRAPH 4 MEAN THAT NO SUBSIDIES DERIVED FROM PRE-EXISTING CONDITIONS OR LAWS ARE CONTEMPLATED?

4. FOR PARIS, BONN, BRUSSELS, AND ROME:  
ADDRESSEES ARE REQUESTED TO FORWARD TO THE DEPARTMENT (EUR/RPE - DENIS LAMB; OES/ENP/EN - HAROLD BENGELSDORF) ANY INFORMATION THEY HAVE CONCERNING THE PROSPECTIVE, FINANCIAL AID OR PENDING BILLS ALLUDED TO IN PARAGRAPH 5 OF REFTEL. WE ALSO WOULD WELCOME ANY GENERAL OBSERVATIONS ADDRESSEE POSTS, INCLUDING LONDON AND THE HAGUE, MIGHT HAVE CONCERNING CURRENT COMMUNITY ATTITUDES ON THIS SUBJECT. KISSINGER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**TAGS:** SENV, ECE  
**To:** EC BRUSSELS MULTIPLE  
**Type:** TE  
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